



PSC NEWS

Missouri Public Service Commission

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PSC SETS HEARING SCHEDULE IN TELEPHONE COMPETITION CASE

Jefferson City (September 23, 2004)---The Missouri Public Service Commission will hold hearings beginning on **January 31, 2005**, in a case investigating the state of telephone competition in the exchanges of Southwestern Bell Telephone, L.P., d/b/a SBC Missouri.

Hearings, to be held in Room 310 of the Governor Office Building, 200 Madison Street, in Jefferson City, will continue through February 4, 2005, if necessary. The Governor Office Building is a facility that meets the accessibility standards of the Americans With Disabilities Act (ADA). If any person needs additional accommodations to participate in these proceedings, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice), or Relay Missouri at 711, prior to the hearings.

On July 30, 2004, SBC Missouri filed a motion asking the Commission to open a case. The purpose of this case is to determine if effective competition exists in SBC Missouri's exchanges. If effective competition is determined to exist, then SBC Missouri will no longer be under price cap regulation in the establishment of rates within the exchange.

In its motion, SBC Missouri states it has been more than two-and-a-half years since the Commission concluded its first investigation into the state of competition in SBC Missouri's exchanges. The Commission, in a January 2002 decision, determined that, based upon a thorough review of the evidence presented, effective telephone competition for residential and business customers did not currently exist in a vast majority of SBC Missouri's exchanges. As a result, the Commission granted "competitive" status and additional pricing flexibility in a few limited areas of SBC Missouri's territory.

SBC Missouri states in its motion that since the last case was concluded, competition has continued to accelerate, and the telecommunications marketplace has evolved, now offering a multitude of services and providers that span across different forms of technology, ranging from traditional landline providers to wireless providers, cable providers and Voice over Internet Protocol providers.

Background: In 1996, the Missouri Legislature passed and the Governor signed a bill which outlined a process for granting various degrees of pricing flexibility to telephone companies. An incumbent or established local telephone company could move from rate of return regulation to price cap regulation if the company could demonstrate that an alternative local telephone company was providing local telephone service in its service territory. State law allows increased pricing flexibility if the Commission determines effective competition exists.

State law also requires the Public Service Commission to open a case and review the state of competition no later than 5 years following the first certification of an alternative provider. Communications Cable-Laying Company, Inc. d/b/a Dial U.S., was authorized to provide basic local telephone service in a SBC Missouri exchange on December 31, 1996. As a result, a case first examining the state of competition in SBC Missouri exchanges was opened in March of 2001.

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